

HUMAN RESOURCES

BUDGET UNIT: INSURANCE PROGRAMS (ALL ISFs EXCEPT IBP)

I. GENERAL PROGRAM STATEMENT

Risk Management, under the direction of the Human Resources Department, administers the county's self-insured and insured insurance programs. All programs are paid from these self-insurance funds and financed by general fund and non-general fund departments, as well as the Board Governed Special Districts and County Service Areas. Self-insurance and insurance programs include auto liability, property, surety, comprehensive auto, law enforcement liability, workers' compensation, aircraft liability, airport liability, environmental liability, medical malpractice, and general liability. Revenue over expense is used to meet actuarially determined claims reserve requirements. There is no staffing associated with this budget unit.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Operating Expense	54,999,503	46,735,896	63,914,428	47,652,314
Total Financing Sources	48,018,910	49,765,885	59,968,838	49,002,994
Revenue Over/(Under) Expense	(6,980,593)	3,029,989	(3,945,590)	1,350,680

Actual operating expenses and revenue for 2002-03 are higher than budget due to an accounting change regarding reporting for guaranteed investment contract (GIC) disbursements and reimbursements. Transfers for the GIC were \$10,762,476 and revenues were \$10,704,530. Per the investment schedule, there is minimal GIC activity in 2003-04.

Revenue over/(under) expense varied significantly from budget because of an unbudgeted \$4.5 million dividend paid to Transportation/Flood Control; increased Workers' Compensation payments due to the increased benefit levels; decreased Workers' Compensation revenue due to decreased staffing in the County; and increased excess insurance premiums for general, automobile, and pollution liability programs.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

PROGRAM CHANGES

Compared to 2002-03, operating transfers in and out are impacted significantly due to scheduled reductions in GIC disbursements and reimbursements.

GROUP: Administrative/Executive DEPARTMENT: Human Resources - Risk Management FUND: Internal Service (All Except IBP)			FUNCTION: General ACTIVITY: Insurance Programs		
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<u>Appropriation</u>					
Services and Supplies	44,386,278	38,874,268	38,874,268	4,321,827	43,196,095
Other Charges	97,869	142,500	142,500	(5,500)	137,000
Transfers	459,249	-	-	-	-
Total Appropriation	44,943,396	39,016,768	39,016,768	4,316,327	43,333,095
Operating Transfers Out	18,971,032	7,719,128	7,719,128	(3,399,909)	4,319,219
Total Oper Expense	63,914,428	46,735,896	46,735,896	916,418	47,652,314
<u>Revenue</u>					
Use of Money & Prop	30,520	948,175	948,175	(679,375)	268,800
Current Services	41,532,866	41,592,810	41,592,810	6,571,884	48,164,694
Other Revenue	28,976	81,900	81,900	(35,400)	46,500
Total Revenue	41,592,362	42,622,885	42,622,885	5,857,109	48,479,994
Operating Transfers In	18,376,476	7,143,000	7,143,000	(6,620,000)	523,000
Total Financing Sources	59,968,838	49,765,885	49,765,885	(762,891)	49,002,994
Rev Over/(Under) Exp	(3,945,590)	3,029,989	3,029,989	(1,679,309)	1,350,680

HUMAN RESOURCES

Board Approved Changes to Base Budget

Services and Supplies	496,815	Increased workers' compensation excess insurance premiums.
	1,005,168	Increase for other excess insurance premiums.
	572,185	Increased other general liability insurance premiums.
	150,528	Increased malpractice insurance premiums.
	(261,502)	Decreased airport and aircraft liability insurance.
	1,333,163	Increase for other insurance premiums.
	99,750	Increase for risk reduction programs.
	780,170	Increase for judgments and settlements.
	(91,450)	Decreased management and technical services.
	237,000	Increase for medical treatment expenses.
	<u>4,321,827</u>	
Other Charges	<u>(5,500)</u>	Decreased taxes and assessments.
Total Appropriation	<u>4,316,327</u>	
Operating Transfers Out	<u>(3,399,909)</u>	Decreased GIC payments of \$3,475,521 and transfers to IBP for overhead.
Total Operating Expenses	<u>916,418</u>	
Revenue		
Use of Money & Prop	<u>(679,375)</u>	Decreased interest revenue.
Current Services	<u>6,571,884</u>	Increased insurance premium revenue of \$ 7,069,384, decreased claim cost recoveries of \$360,500 and subrogation for departments of \$137,000.
Other Revenue	<u>(35,400)</u>	Decreased revenue from return of stale-dated checks.
Total Revenue	<u>5,857,109</u>	
Operating Transfers In	<u>(6,620,000)</u>	Decreased GIC proceeds.
Total Financing Sources	<u>(762,891)</u>	
Total Rev Over/(Under) Exp	<u>(1,679,309)</u>	